

HOW TO REQUEST A BUDGET/CONTRACT MODIFICATION - 8/02

Grantees submit "budget modifications." **Contractors** submit "contract modifications." Despite the different terminology, the process that an EL/CIVICS provider takes in requesting a modification is similar. By following the steps outlined below, time and energy will be saved in handling a request. Thank you for your attention to this information. If there are any questions about the process, please call.

JUSTIFICATION

A **letter or memo** explaining why the modification is needed detailing the amount(s) to be transferred from and to specific account numbers/functional categories. When explaining the need for the modification, **the provider must state not only why more money is needed in a certain line item (or items) but also why there is money available to be transferred out of other line item(s).** The justification for the transfer is two-sided, in other words, and both sides are taken into consideration by DOE staff when the request is received.

Outreach **grantees** may transfer funds between budgeted line items, as long as any line item is not increased or decreased in excess of 10% of the approved amount. Changes which affect a line item by more than 10% of the budgeted amount **require a written request and approval prior to the change.** (See Policy Memo #3.)

Outreach **contractors** may transfer **up to 10%** between line items with the prior written approval of the Division of Adult Education. Changes in excess of 10% of budgeted line item amounts require a contract modification.

The correspondence concerning the modification must reference the program number of the EL/CIVICS program for the current fiscal year. Refer to the attached sample letter for more details about the desired format of the request letter. Note that the total amount to be transferred, as well as the breakdown of that amount, are to be clearly indicated in the letter.

REQUEST DEADLINES: Faxed or Mailed

Budget modifications (**Grantees**): received by **April 15**

Contract modifications (**Contractors**): received by **February 15**

The reason for the difference in deadlines for the modifications is that for EL/CIVICS grants, the final decision rests with the Division of Adult Education. For EL/CIVICS contracts, however, once the Division approves a contract modification, the revision must be approved by legal staff in several state offices according to state regulations. This obviously takes time, approximately three months.

WHAT HAPPENS AFTER THE REQUEST IS SUBMITTED

A decision is made to approve or reject the request. **A revised budget** is prepared by Division staff for requests by both grantees and contractors.

In the case of grantees, the Division sends an approval letter to the program director along with two copies of the revised budget which has been initialed and dated by the Division director. The program director is asked to sign and date both copies, returning one of the copies to the Division. The Division makes the necessary changes in the EL/CIVICS ledger for that program. **At this point, the budget modification is considered finalized.**

In the case of contractors, Division staff prepare a contract modification according to state regulations. This involves, among other things, a reprinting of the budget in Section 17 of the contract and preparation of several state documents. After the contract is approved by the Superintendent of Public Instruction, it is sent to the Contractor for signature. The Contractor returns the signed contract to the Department of Education. The contract is then routed to several state agencies for approval. At any time in this stage of the process, the packets may be returned to the Division for clarification/revision or may be rejected. If approved by all parties and signed by the Attorney General's office, the copies are returned to the Division which makes the necessary changes in the EL/CIVICS ledger for that program. At the same time, one packet is sent to the contractor. **Then the budget is officially considered modified, and the contractor can make claims based on the revised budget.**

(Mail, e-mail, or fax the request.)

SAMPLE
[PROGRAM LETTERHEAD]

date

Ann Kizer
Division of Adult Education
Indiana Department of Education
State House, Room 229
Indianapolis, IN 46204-2798

Dear Ms. Kizer:

The _____ EL/Civics program, FY2006-____, requests modifications in its budget as follows:

\$ 1,500 from 39500 Child Care Services/120 Non-Certified Salaries
_____75 from 13900 Administration/332 Travel

\$ 1,575 total transferred to

\$ 1,000 to 10000 Instruction/410 Supplies
_____575 to 10000 Instruction/540 Equipment

\$ 1,575 total.

The program has been fortunate in two ways. First, more students than anticipated have been attending classes. Because of this, more consumable supplies are needed. Second, the salaries originally proposed for child care services are no longer needed because a local church has adopted the EL/CIVICS program as a special project and is providing child care through volunteers. As you know, one of the anticipated EL/Civics administrative meetings was canceled, saving an estimated \$75 in travel expenses. Program staff have found an excellent price for a video camera, which has been on our "wish list" since the program began. This combined with the program's access to a VCR will enhance the life skills instruction that is the core of the program.

Thank you for your consideration of this request. Do not hesitate to contact me if I can provide more information to you.

Sincerely,

EL/CIVICS Program Director